

**BULGARIA PILOT COMMUNITY FUND &
SOCIAL ENTERPRISE PROGRAM**

**QUARTERLY REPORT
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A. Executive Summary

The first quarter of the Bulgarian Pilot Community Fund and Social Enterprise Program (BPCFSE) was spent mainly on the logistics of setting up and registering the Counterpart branch office in Sofia, hiring both local and ex-patriot staff members, developing the year one workplan, and establishing a solid and mutually beneficial working relationship with Counterpart's partnering organization, Civil Society Development Foundation (CSDF). To ensure a smooth start to the program, two members of Counterpart Headquarters staff traveled to Bulgaria with Counterpart's Chief of Party (COP) to assist with initial program negotiations and start-up activities. A number of networking and programmatic activities were also accomplished during the first quarter.

In October, Counterpart headquarters interviewed and hired the Bulgarian Chief of Party, Tilly Reed and in November, Counterpart hired the Chief Financial Officer (CFO), Shehzad Mehmood. Tilly Reed, with assistance from a local consultant involved in the project's development phase and a consultant for the UNDP Jobs Program, interviewed and hired local staff including a program manager, a social enterprise officer, a community funds officer, and an administrative assistant for the Counterpart branch office. During the holidays, Ms. Reed returned to Counterpart headquarters in Washington to complete all other administrative issues.

In November, Counterpart signed a lease for a 200-plus meter, five-room office in downtown Sofia. The office has the capacity to accommodate consultants and to host meetings of up to 12 people. In December, the landlord completed minor office renovations and approved the space for occupancy. Counterpart has since purchased equipment and related office services. Move-in was scheduled for mid-January. All registration documents were compiled in Washington DC, sent to Bulgaria, and are currently being processed. Official branch office registration is expected during the second quarter.

The major programmatic activity was the development of a preliminary work plan encompassing the first 3 objectives of the program: social enterprise development, community fund creation and the enhancement of Civil Society Development Foundation's capacities. Activities related to the 4th objective are on going and all steps, information gathered, and contacts made have been recorded for inclusion in the how-to manuals. Other programmatic activity has included finalizing an MOU with CSDF, scheduling an organizational development assessment of CSDF, networking with other organizations, site visits, attending conferences, and the gathering of program related information.

The relationship between Counterpart and CSDF has developed and strengthened following early negotiations concerning budget and program implementation responsibilities. With assistance from Counterpart headquarters staff, a budget was agreed upon and responsibilities were outlined in a revised MOU. The precise nature of the relationship was discussed and agreed upon by Ms. Reed and Bouryana Konaklieva, the director of CSDF.

B. Project Purpose

To enhance the sustainability of Bulgarian NGOs

C. Project Impacts

Project impacts will be gathered through local Monitoring and Evaluation visits beginning in the second quarter.

D. Project Activity

Management Overview

Hiring Expatriate Staff

During the first two months of the project, Counterpart headquarters staff advertised for, interviewed applicants, and hired a Chief of Party and a Chief Financial Officer for Bulgaria. The COP, Tilly Reed, has over 20 years of management experience in the hotel industry. Ms Reed has also served as a US Peace Corps volunteer, worked as an organizational development consultant, and managed grants for the US Department of Housing and Urban Development. The CFO, Shehzad Mehmood, is a graduate of the University of Peshawar and the Institute of Chartered Accountants of Pakistan and has nearly 10 years of international development finance experience in Africa and the Middle East. Mr. Mehmood's most recent appointment was with the International Medical Corps -East Africa, based in Nairobi, Kenya where he was the Regional Director of Finance and Administration.

COP Orientation

In October, Ms. Reed came to Washington DC before departing for Bulgaria for a staff orientation and a series of meetings with Counterpart headquarters staff and possible collaborating agencies. Ms. Reed met with the Bulgaria project's Program Officer to discuss reporting formats and schedules, the Field Office Accountant to discuss financial procedures, and the Program Assistant to discuss program support. Ms. Reed also met with the USAID Bulgarian Desk Officer, the International Center for Non-Profit Law (ICNL), the Bulgarian Embassy to the US, and the US Peace Corps Bulgarian Desk Officer. All four agencies provided Ms. Reed with supplementary materials, contact information, and possible areas of collaboration.

Counterpart Headquarters Staff Visit to Bulgaria

Counterpart's Civil Society Program Director traveled to Bulgaria in November to conduct initial program research, meet with local partners, look at office space, and compare different vendors. After one week, he was joined by Counterpart's Bulgaria Program Officer and the COP. Together they selected a bank, found a real estate agent, and negotiated with local organizations. During this trip a budget was negotiated and an initial MOU was reached with CSDF.

Counterpart International – Bulgaria Branch Registration

Research on the process of registration and compilation of the required documents was conducted throughout November and early December. In December the document requirements

were delivered to Washington where they were gathered, notarized and returned to Sofia for registration submission. Documents included Counterpart bylaws, power of attorney, statement of purpose, signature sheets, and a board resolution. All documents required Counterpart and Washington DC notarizations. A registration number will be assigned. This number will allow the branch office to open a bank account. Official registration is expected by February. Counterpart was assisted by the lawyer from CSDF, Tony Dimov.

Bank Account & Financial Activities

Counterpart International contacted a number of Bulgarian banks, gathered information, and assessed different banking options. A decision was made to use Citibank Sofia as it will facilitate the transfer of funds between Counterpart headquarters' Citibank account and Counterpart's Bulgarian Office Citibank account. Upon receipt of a registration number, a bank account will be opened in the name of Counterpart International Bulgaria Branch.

To meet the financial requirements of opening an office in Sofia, funds in the amount of \$45,000 were requisitioned from Washington to be transferred to Bulgaria. As Counterpart-Bulgaria is not yet registered, a joint bank account with CSDF was opened. Furthermore, invoices, contracts and agreements are in the name of CSDF. Upon branch office registration, the Counterpart CFO will transfer all invoices, contracts and agreements from CSDF to Counterpart.

Office Space, COP Housing, and Office Equipment

Several real estate agencies were contacted and given the requirements for office space and COP housing. Counterpart was provided with lists of available offices and residences, which were then short-listed for the COP's selection. Selection of office space and housing was concluded and leases were signed for both. The COP moved into her residence on December 1st, and the office space was available for occupancy on December 10th.

The telephone system was put out to bid, negotiated, and contracted for; installation will take place in January. Computer network providers were contacted for offers, a decision has not yet been made. Computer equipment and network requirements were put out to bid, a decision was made with the assistance of Counterpart headquarters IT staff. Equipment was ordered and installation will be completed in January. Counterpart agreed to connect CSDF to its high speed Internet network in order to increase their technological capacity. Requirements for office furniture were put out to bid, selected and contracted for.

Counterpart Bulgaria Staff

Counterpart completed a large-scale, open and transparent hiring process for local staff. The four Bulgarian staff positions were advertised in national newspapers and in the Embassy newsletter. Approximately 200 resumes were received and reviewed by Stephanie Sullivan, Bouryana Konaklieva and Tilly Reed. A three-person interview committee was established and interviewed 30 applicants. Of the 30 applicants, 12 were asked back for second interviews with the COP who then made the final decisions. A salary survey of four USAID funded organizations and USAID itself was provided by Dem Net and utilized in the salary negotiations with the employees. Agreement was reached to everyone's satisfaction. Below are the new Counterpart Bulgarian staff members:

Maria Ilcheva, Program Manager, official start date February 1, 2002. Maria comes to us from the UNDP Jobs program where she was instrumental in establishing and monitoring 10 business support centers, five business incubators and 10 information technology centers around Bulgaria. Maria also trained and provided on going support to the managers and staff of the centers. Prior to the Jobs Program, Maria implemented and managed the Beautiful Bulgaria Projects in two cities in Bulgaria, also a UN sponsored project. Maria will be coordinating, monitoring and managing the Program activities.

Monika Pisankaneva, Community Funds Officer, began work on January 2, 2002. Monika's previous employer was Catholic Relief Services and she had participated in their preparation of this project proposal to USAID. She was the Regional Small Projects Fund Manager and Caritas Institutional Support Coordinator. She understands Community Funds and is very dynamic, has a proven track record of motivating communities, and is very organized.

Gabriela Chiflichka, Social Enterprise Officer, official start date February 1, 2002. Gabby comes to us from the US Peace Corps where she was the Community Economic Development Program Assistant. Her Peace Corps background provided her with a good foundation in program design, implementation, management and evaluation, needs assessments, reporting, budgeting, building relationships, and provision of support to small and medium sized enterprises.

Desislava Dzhurkova, Administrative Officer, official start date February 1, 2002. The organizational skills Desi acquired in her previous position as Project Manager with Human Dynamics will definitely be of great assistance to the project. She will administer the office, coordinate staff work and schedules, assist in the development of office policies and procedures, handle all logistics for travel and meetings, and every detail that goes along with running an efficient, organized, pleasant office.

Finalization of Counterpart/Civil Society Development Foundation MOU

Negotiations with the CSDF Director took place in November and December and included budgetary discussions and agreement of the final terms of the MOU. The document will be signed in January.

Information Gathering for Project Database

Currently, the COP is responsible for information gathering. This responsibility will be handed over to the administrative assistant for database entry beginning in the second quarter. Ms. Reed has gathered information on other projects, local and national NGOs, as well as personal contacts in the three sectors and in the three targeted communities.

E. Project Activities by Objective

Objective #1: Facilitate the process of community fund development in three communities in Bulgaria.

Tilly Reed made a preliminary visit to Blagoevgrad with Rumiana Ninova, Chief Executive Officer of CSDF. They met with the Deputy Mayor who is also the head of the Social Services Department. The Deputy Mayor is very interested in the community funds program and was most helpful in providing Counterpart with individual names and the names of organizations that he believes will work closely with us. A follow-up meeting with Blagoevgrad businessmen will be held in February. The Deputy Mayor also invited Ms. Reed and Ms. Ninova to present Counterpart's program at the city's Rotary Dinner.

Community Funds Officer, Monika Pisankaneva, and Program Manager, Maria Ilcheva, were hired and began discussing program implementation. They have also assisted Ms. Reed in compiling the workplan.

Background reference material and information is being collected on an ongoing basis. CSDF's contacts and data base have provided valuable information and other organizations are, for the most part, willing to share their information. Our Administrative Officer will input all information and contacts into our database beginning in February, at which time the Program Manager, Community Fund Officer and COP will analyze the information.

Through site visits and discussions, some stakeholders have been identified by other organizations, however, our project calls for the leaders to self identify. It is going to be challenging to keep in mind all involved interests while at the same time allowing the leaders of each community to self identify. Selection process transparency and constant promotion of self identification will assure a smooth selection.

Although meetings or site visits with other community funds have not yet taken place, they are scheduled for February - when the Counterpart staff officially begins work.

Site visits to Gabrovo and Chepelare have been scheduled for the second quarter.

Objective #2: Assist in the development of social enterprises throughout Bulgaria.

Social Enterprise Officer, Gabriela Chiflichka, and Program Manager, Maria Ilcheva, were hired with official start dates of February 1, 2002.

The collection and processing of reference materials is an ongoing process. CSDF has provided us with information that they have collected and used in the disbursement of grants and/or documents and materials they have published. Information gathered thus far will be entered into our database and analyzed in February.

While in Washington DC, the COP met with Counterpart's Enterprise Development Vice-President and Program Officer to plan the social enterprise assessment which is scheduled for the

second quarter. Other topics of discussion included the legal framework for Social Enterprise in Bulgaria, definition of terminology, methodology, existing programs, and possible synergies with Counterpart's existing Social Enterprise projects.

Counterpart met with possible social enterprise partner, Nachala, a number of times. Initial discussions served for both organizations to learn more about each other and the project. After completion of the social enterprise assessment in the second quarter, further cooperation may be discussed.

Objective #3: Enhance the capacity of the Civil Society Development Foundation to support community funds throughout Bulgaria.

A Participatory Organizational Development assessment was arranged and will be conducted in January, 2002 by Tamara Lashbrook. Ms. Lashbrook has 10 years experience in Human Resources and Organizational Development. She has also served as a Peace Corps volunteer and worked as a Country Director on a USAID funded project in Tajikistan. Ms. Reed and Ms Konaklieva gathered preliminary material including CSDF's annual reports, promotional materials, and financial information.

The organizational development plan and subsequent resources and training needs will be identified upon receipt of the CSDF assessment outlining the needs of the organization.

The action plan will be developed upon receipt of the CSDF assessment outlining the needs of the organization.

The enhancement of CSDF's technology and information sharing capacity will begin with the delivery and installation of improved equipment and network services in January.

Objective #4: Document and disseminate lessons learned and best practices for community funds and social enterprises.

All of the information currently being gathered will be entered into the branch office database by the Administrative Assistant in February, 2002. The first living case studies and success stories are scheduled for the first quarter of year two.

F. Coordination and Cooperation
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The most significant cooperative event of the first quarter was the finalizing of the MOU between Counterpart and CSDF. Both organizations were involved in the negotiating process and a fair and mutually beneficial agreement was reached.

Realizing that networking is the first step toward further organizational coordination and cooperation, Counterpart's COP arranged a number of meetings with other Bulgarian organizations and participated in two conferences. Counterpart headquarters staff, along with Ms. Reed, met with the USAID Bulgarian Desk Officer, the International Center for Non-Profit

Law (ICNL), the Bulgarian Embassy to the US, and the US Peace Corps Bulgarian Desk Officer, all in Washington DC.

Meetings with Other Bulgarian Organizations and Programs

Nachala - Counterpart and Nachala met three times this quarter. Counterpart headquarters' Program Director, Tom Carmody, held an introductory meeting with Nachala while he was in Bulgaria. In November a meeting was held with Peter Arnaudov, Nachala's Director, Counterpart's Bulgaria Program Officer, and Ms. Reed in which different partnership options and avenues of cooperation were discussed. The COP met with Mr. Arnaudov informally at the USAID Christmas Party.

Bulgarian Center for Non-profit Law (BCNL) - The COP requested a meeting with Luben Panof, Director of BCNL, and Bouryana Konaklieva, Director of CSDF. At this meeting, BCNL's interest in partnering was reaffirmed and they requested another meeting to see where they would put us in their workplan (as discussed with ICNL in Washington in November). BCNL also provided Counterpart with advice on registration. Mr. Carmody had previously met with representatives from BCNL, ICNL and CSDF concerning program collaboration.

Dem Net – COP met with Jane Grube and informally established relationship. Her organization has provided some in kind assistance to CSDF. Jane also provided the salary survey which was utilized in the salary negotiations with the Counterpart staff.

BARDO – COP met with the former Director of BARDO in an interview for the Program Manager's position. She gave details of BARDO's areas of responsibilities and ideas on how we could work together in implementation of the Social Enterprise program.

UNDP Jobs Program – COP met the Director of the UNDP program at their Christmas Fair held at the Radisson hotel. The UNDP Jobs Program has regional business support centers, business incubation centers and business training programs. These centers could be utilized in the implementation of the Social Enterprise program.

US Peace Corps, Bulgaria – COP met With Anton Pashov, Community Economic Development Program Manager of the US Peace Corps. The CED program is spread across the country and volunteers are placed with organizations that could be of assistance to us in the development of both the Community Funds and Social Enterprise components of the program. PC Volunteers are a great resource for us, and are most interested in working with us. Several volunteers have asked that their organizations be considered for the Social Enterprise program. Our Social Enterprise Officer, Gabriela Chiflichka, was Anton's assistant and will provide the link between the PCVs and our program.

Conferences

The COP attended the 2001 International Year of Volunteers Conference and exchanged contact information with organizations who utilize volunteers in the development of their projects. A number of organizations were represented including:

- *National Alliance for Volunteer Action (NAVA)* - An alliance which was created to serve as a mediator between NGO's and people willing to volunteer. NAVA's work consists of two programs: Volunteer Centers established in Plovdiv, Varna and Gabrovo and *Let's Be Friends* programs run within the Volunteer Center's activities in Plovdiv.
- *YMCA* – Gabrovo was reestablished in 1991 with the mission to support mental, physical and spiritual development of the young people and prepare them for an open and democratic society. The YMCA has realized over 50 projects and initiatives with local, regional and national significance. Its programs have reached more than 2500 young people and during 1997, provided humanitarian aid to more than 70 families and the local orphanage. The YMCA-Gabrovo has trained more than 200 volunteers during the past 10 years.
- *Bulgarian Youth Red Cross* - was re-established in 1990 as a part of the National Association of the Bulgarian Red Cross. The volunteers work in clubs which are organized in educational institutions. There are 463 clubs around the country with 8000 volunteers. The main activities of the Bulgarian Youth Red Cross are social support and charitable activities, first aid training and emergency situation training. (Tom Carmody also met with Nicole Sirak, the Red Cross Organizational Development Delegate in Bulgaria to discuss avenues of cooperation)
- *Youth Consultative Committee of the National Youth Program of the United Nations* - The Committee's main function is to provide feedback and suggestions on different aspects related to youth development within the process of the National Youth Program. Its 5 members, who are between the ages of 17 and 24, serve as experts on youth related issues.
- *The Peace Corps Program for Economic Development of Bulgaria* - This year alone more than 24 volunteers have been implementing programs in business consulting, business development, city and regional planning, NGO development and realization of community based economic projects. The program *Local and Economic Development* aims to increase opportunities for mobilization of local economic resources.
- *Gabrovo Community Utilities Company* - 20% of the profits go to the Community Education Program in Gabrovo.
- *UNICEF* – Volunteerism began in Bulgaria in the 19th and 20th centuries NOT with Lenin's Saturdays. This point must be drawn upon to revitalize the Bulgarian philanthropic tradition.
- *Eyes on 4 Paws* – An NGO for the visually impaired, created with funding from the EU, has set up a Bulgarian school for seeing eye dogs. The NGO also pays for the dogs and their training. Their mission is to create awareness for the mobility of the blind. The families of the handicapped are the biggest volunteers and the most important.
- *Bureau of Volunteers in Tel Aviv, Israel* - They focus on global issues of education and funding. Every municipality in Israel has a bureau of volunteers, this bureau manages volunteers, recruits volunteers, advertises and promotes volunteerism. The municipalities give funds but not sufficient to cover their needs, so they get businesses to donate as well. They train businesses to understand that giving is good and will ultimately increase their profit. We will contact him for assistance in motivating businesses.

The COP attended CSDF's environmental project press conference and was interviewed by the press and radio stations about Counterpart and our activities in Bulgaria. The media was from the rural areas in which the parks are located. In addition to outlining the current project, the COP expressed Counterpart's interest in the environment and mentioned some of our projects, in cooperation with USAID, worldwide.

G. Leveraging

Due to the administrative nature of the first quarter, there have been no resources leveraged from other sources at this point. Once program implementation begins in February, avenues will be explored and leveraging activities will be planned.

H. Lessons Learned

The project development stage sets the foundation and the working environment for successful project implementation. While difficult and time consuming to ensure, organizations and individuals that are contacted regarding a possible partnership role in the project must have a clear picture of the project's goals, their specific roles in the project if they are selected, and precise information on their budget. Trustworthy partner organizations and a solid staff are critical for future program success.

Develop a strong working relationship between field staff and headquarters' staff and keep everyone involved in communications. Counterpart invited Ms. Reed to Washington for a week-long orientation, escorted her to Bulgaria for the initial stages of program implementation, and brought her back to Washington to finish up project administrative issues. These three activities proved to be invaluable in cementing relationships and opening up the lines of communication. As policy, Counterpart's Program Director, Program Officer, and Program Assistant are copied on all electronic communication. This minimizes misunderstandings and assures that everyone is making decisions from the same information.

Implement an open and transparent staff hiring process. Both Counterpart headquarters and the Bulgarian branch office advertised the program positions in a number of employment journals, websites, list-serves, and newspapers. This brought in a plethora of resumes from qualified candidates. After conducting a minimum of five interviews, the best possible candidate was selected. This process has left Counterpart with a very solid Bulgarian team.

Communicate and coordinate with other donors and project implementers. Bulgaria has received a large amount of international assistance and attention due to its strategic location in the Balkans. There are tremendous opportunities for cooperation and synergies with other organizations and projects.